

**GOVERNMENT OF THE VIRGIN ISLANDS
OF THE UNITED STATES**

Public Services Commission

IN RE:)	Docket No. 573
)	Order No. <u>19</u>/2010
Rate Investigation of Varlack Ventures, Inc. and)	
Transportation Services of St. John, Inc.)	
_____)	

ORDER

WHEREAS, on April 1, 2009, the Virgin Islands Public Services Commission (hereinafter, "PSC" or "the Commission") adopted the Hearing Examiner's Report and Recommendations in PSC Docket 573 and memorialized in PSC Order No. 27/2009; and

WHEREAS, on April 16, 2009, the Virgin Islands Unity Day Group, Inc. (hereinafter, "Petitioner" or "UDG") filed a petition with the Commission requesting reconsideration of the Commission's Order No. 27/2009 to increase passenger ferry rates on franchise routes between St. Thomas and St. John and St. John and St. Thomas; and

WHEREAS, on May 12, 2009, the Commission granted UDG's petition for reconsideration; and

WHEREAS, on May 19, 2009, the Commission appointed Jennifer Jones, Esq. as Hearing Examiner to preside over the reconsideration of Docket 573; and

WHEREAS, on June 15, 2009, the Commission appointed Avery K. Williams as Technical Consultant for the reconsideration of Docket 573; and

WHEREAS, public hearings were held on September 2, 2009, on St. John and September 14, 2009 on St. Thomas, U. S. Virgin Islands; and

WHEREAS, on October 15, 2009, the Hearing Examiner filed her final Report and Recommendation ("Report") with the Commission; and

WHEREAS, on October 29, 2009, the Commission met in regular session at its offices in Barbel Plaza, St. Thomas, U.S. Virgin Islands; and

WHEREAS, upon careful review and deliberation, the Commission voted to adopt and accept the Hearing Examiner's Report effective November 8, 2009:

1. That the Commission adopt all findings in the Hearing Examiner's Report to the Commission;

2. That the Commission adopt "Scenario 4 Schedule of Rates" as set forth in the Technical Report to the Hearing Examiner as prepared by PSC Technical Consultant Avery K. Williams; (see attached)
3. That the Commission continue to monitor the impact of the revised schedule on the rate of return and revisit the matter if the rate of return falls below six (6) percent;
4. That the Commission order Transportation Services of St. John, Inc. to separate and report separately all franchise and non-franchise earnings and expenses;
5. That the Commission continue to pursue and adopt appropriate and consistent standards, rules and regulations for calculating the return on net investment for public utilities; conducting rate investigations and reconsiderations requests and for the submission, content and verification of financial reports.

NOW THEREFORE, it is hereby **ORDERED** that the Hearing Examiner's Report be **ADOPTED** effective November 8, 2009.

So Ordered.

For the Commission

Date 12/19, 2009



Joseph B. Boschulte, Chair

Scenario 4 – No Grant, same Structure and Close Balance – Altering the Fee Level with the same Structure – Version 2

Cruz Bay – Red Hook	Tariff Schedule	Passengers	Revenue
Adult	\$6.00	616,000	\$3,696,000
Child	\$1.00	44,000	\$44,000
Senior	\$1.50	53,000	\$79,500
Commuter	\$3.50	500,000	\$1,750,000
Bulk	\$3.00	49,000	\$147,000
Students	\$2.00	48,000	\$96,000
Teachers	\$3.00	2,800	\$8,400
Cruz Bay to Downtown			
Adult	\$12.00	77,400	\$928,800
Child	\$3.50	5,700	\$19,950
Senior	\$6.00	3,200	\$19,200
Commuter	\$7.00	1,700	\$11,900
Bulk	\$9.50	10	\$ 95
Baggage	\$2.50	158,161	\$395,403
Total Revenue			\$7,196,248
Revenue Need			\$7,116,564
Excess/(Short)			\$79,684